



SHARP & TANNAN

Chartered Accountants

Firm's Registration No. 109982W

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22nd October, 2018

The Board of Directors

Mukand Limited

3rd Floor, Bajaj Bhawan,

Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai - 400 021, Maharashtra

The Board of Directors

Mukand Engineers Limited

3rd Floor, Bajaj Bhawan,

Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai - 400 021, Maharashtra,

Kind Attn: Management of Mukand Limited and Mukand Engineers Limited.

Dear Sir,

Re: Valuation Report of Mukand Limited & Mukand Engineers Limited for the proposed amalgamation of Mukand Engineers Limited into Mukand Limited.

This is further to our Share Swap Report dated 14th July, 2018 wherein we have proposed the Share Swap Ratio for the proposed amalgamation of Mukand Engineers Limited ("MEL") with Mukand Limited ("ML") (hereinafter referred to as "Proposed Amalgamation"). We have been given to understand that on 16th July, 2018, the Board of Directors of ML and MEL inter-alia, have approved the proposed amalgamation of MEL with ML subject to shareholders, creditors, stock exchange, NCLT & other regulatory approvals. Further, Bombay Stock Exchange Limited ("BSE") vide their query dated 28th September, 2018, have requested for the workings of the Valuation Report. Accordingly, we, Sharp & Tannan ("Valuer" or "we") have been requested by the management of ML and MEL, to provide workings of the Valuation Report ("Valuation Report") solely for the purpose of submission to stock exchange.

Pursuant to Proposed Amalgamation, ML shall issue its equity shares to the shareholders of MEL (except ML itself) on the basis of swap ratio mentioned in the Share Swap Report dated 14th July 2018.

1 BRIEF BACKGROUND

1.1 Mukand Limited (ML)

- 1.1.1 ML is part of the Bajaj Group of companies with Shah Family being co-promoter. In the year 1937, Mukand Ltd. (known as Mukand Iron & Steel Works Limited at that time) was established & was later acquired by the present promoter families, Shri Jamnalal Bajaj and Shri Jeevan Lal Shah, in the year 1939. The Company then operated re-rolling mills and a foundry in Reay Road Bombay and Lahore respectively. The Company was rechristened Mukand Ltd. in the year 1989 and had grown to become a multi division, multiproduct conglomerate. With manufacturing facilities in Kalwe, Maharashtra and Hospet, Karnataka, Mukand produces over 400 grades of specially engineered steel to suit stringent customer

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requirements in the form of bars, bright bars, wire rods and wires. Apart from steel, it also operates in Industrial Machinery and Engineering Contracts, and others segments.

- 1.1.2 ML, a listed public company, has its registered office in Mumbai, Maharashtra. Equity shares and 0.01% cumulative redeemable preference shares of Mukand are listed on the National Stock Exchange of India Limited ("NSE") and BSE.
- 1.1.3 ML produces, blooms, billets and converts them into rounds, wire rods, bars, of special and alloy steel, it also offers alloy steel through Joint Venture with Sumitomo Corporation. Its stainless steel products are sold domestically and also exported to develop and developing countries like USA, Germany, Italy, Netherlands, Switzerland, UAE and other South Asian countries etc.
- 1.1.4 ML has a strategic partnership in Steel Plant at Hospet with Kalyani Steels having three Blast furnaces with a total capacity of 700000 MTPA. Company operates 2 of the said three blast furnaces to produce close to 600000 MTPA of steel per annum. Company has a share of 58.62% in this production which brings its capacities at ~351000 MTPA of steel.
- 1.1.5 In addition, the company offers material handling machinery, such as EOT cranes, gantry Cranes, port cranes and bulk material handling equipment; heavy machinery for process plants in ferrous and non-ferrous industries; specialty steel long products; and equipment for rolling mills, power, nuclear, and defense applications.
- 1.1.6 Further, in the previous years the company was also involved in the execution of road construction projects in the state of Uttar Pradesh with National Highway Authority of India along with Centrodorstroy Russia. Apart from the core assets, ML is also enriched with large land bank in the industrial area Thane.
- 1.1.7 The subscribed & paid up equity share capital of ML as at March 31, 2018 was INR 141.41 Crs. divided into 14,14,05,861 equity shares of INR 10/- each (face value) The Shareholding pattern of ML as on March 31, 2018 is as hereafter:

Sl. No.	Shareholder	No. of Shares	% holding
1.	Promoter & Promoter Group	10,33,94,145	73.12%
2.	Public	3,80,11,716	26.88%
Total		14,14,05,861	100.00%

- 1.1.8 The subscribed & paid up 0.01% Cumulative Preference share capital of ML as at March 31, 2018 was INR 5.63 Crs. divided into 56,26,320 preference shares of INR 10/- each (face value). We have been given to understand that there has not been any changes in share capital of Mukand after 31st March, 2018.

1.2 Mukand Engineers Limited (MEL)

- 1.2.1 MEL is a listed public company, incorporated on January 30, 1987 having its registered office in Mumbai, Maharashtra. The equity shares of MEL are, at present, listed on NSE & BSE. As on March 31, 2018, 36.11% shares of MEL are held by ML.
- 1.2.2 MEL offer services in areas of engineering construction including feasibility studies, planning, procurement, construction, erection and commissioning of projects across industries such as petro chemicals, oil exploration and refineries, fertilizers, steel plants, aluminum plants, thermal and nuclear plants.
- 1.2.3 In addition, MEL also undertakes turnkey packages, including design, supply, fabrication, civil, electrical, piping, instrumentation, refractory/insulation, installation, and commissioning works for gas holders, water and utility systems, fired heaters, furnaces, reformers, and flare stacks. Further, it engages in the engineering, procurement, and construction of civil and structural works, plant equipment, and electrical and automation, as well as water, fire protection, air conditioning, air pollution control, and ventilation systems. Additionally, the company provides ERP implementation and InfoTech services. It serves steel, non-ferrous, hydrocarbon, power, nuclear, infrastructure, and defense industries.
- 1.2.4 The subscribed & paid up equity share capital of MEL as at March 31, 2018 was INR 12.57 Crs divided into 1,25,72,400 equity shares of INR 10/- each (face value). The Shareholding pattern of MEL as on March 31, 2018 is as follows:

Sl. No.	Shareholder	No. of Shares	% holding
1.	Promoter & Promoter Group	66,64,933	53.01%
2.	Public	59,07,467	46.99%
Total		1,25,72,400	100.00%

We have been given to understand that there has not been any changes in share capital of MEL after 31st March, 2018.

- 1.2.5 As on date, as given to understand, MEL holds 0.48% equity shares of ML and 0.93% preference shares of ML.

2 SCOPE & PURPOSE

- 2.1 We, Sharp & Tannan ("Valuer" or "we"), Chartered Accountants, have been given to understand that on 16th July, 2018 respective Board of Directors of ML and MEL have approved a corporate restructuring, wherein *inter alia* MEL shall be amalgamated with ML, with effect from the Appointed Date of 1st April, 2019 (hereinafter referred to as "Proposed Amalgamation"), subject to the approval of shareholders, creditor, NCLT & other regulatory approvals.



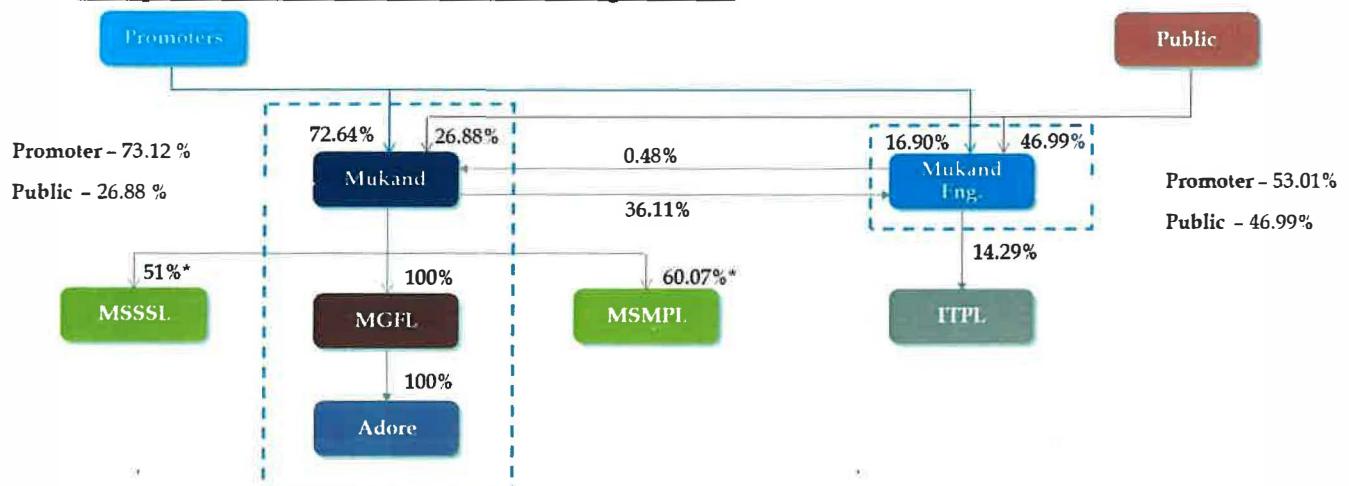
- 2.2 We have issued Share Swap Report on 14th July, 2018 determining the equity value per share of ML & MEL on 31st March, 2018 ("Valuation Date") and the share swap ratio for the proposed Amalgamation. Pursuant to Proposed Amalgamation, ML shall issue its equity shares to the shareholders of MEL (except ML itself). Such report was placed before the BOD meeting on 16th July 2018 and was also submitted with the stock exchanges.
- 2.3 We have been informed that BSE vide their query dated 28th September, 2018, have requested for the workings of the Share Swap Report dated 14th July, 2018.
- 2.4 In this regard, we have been requested by the Management of ML and MEL to provide workings of the Valuation Report ("Valuation Report") solely for the purpose of submission to stock exchange.
- 2.5 For the purpose of valuation exercise as referred above, we had obtained the financial projections, data, documents and information from the Management of ML and MEL and had relied upon such explanations and information furnished to us.
- 2.6 We had carried out an analysis of the financial information and underlying management assumptions provided for the valuation purpose. This information has been solely relied upon by us for the purpose of valuation. We have been given to understand that there has not been any material change in the assets, liabilities and business of ML and MEL since 1st April, 2018 other than in the usual course of business, which would have any material impact on the projections provided to us or on profitability of ML and MEL.
- 2.7 We understand that this Valuation Report shall be used only for the purpose of submission to stock exchanges & neither shall be used for any other purpose nor should be made available or quoted or referred to or transmitted to anybody else, in whole or in part, for any purpose without our prior written consent.

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3 TRANSACTION SUMMARY

3.1 Group Structure before the scheme of Amalgamation:-



Note 1 - Shareholding of Mukand as at 31/03/2018 after considering effect of sale of 0.48% shares of Mukand held by Mukand Eng in June, 2018.

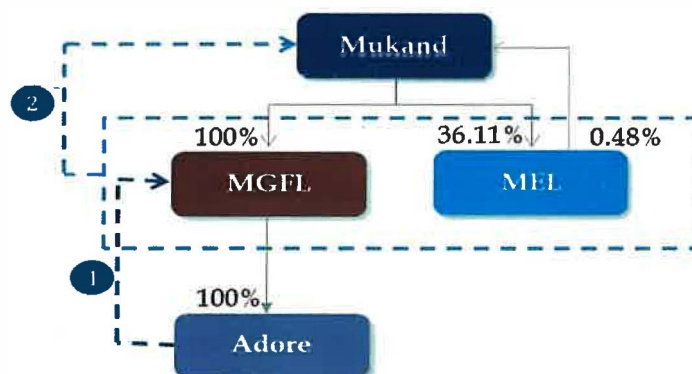
Note 2 - Shareholding of Mukand Eng. and MGFL as at 31/03/2018 and Adore as at 30/04/2010

Note 3 - Mukand also holds investment in some other Group Co. which are relatively very small and hence not mentioned above considering the materiality.

* Remaining shares are held by Sumitomo Corp., Japan

Companies Involved in Restructuring
Joint Venture
Promoter shares
Step Subsidiary
Subsidiary

3.2 Proposed transaction



Brief overview of the steps involved:-

Step 1 - Merger of Adore with MGFL

- ❖ Appointed Date - 1st April, 2019
- ❖ Consideration - Nil, since 100% shares of Adore are held by MGFL.
- ❖ Cancellation of Investments - On merger investment in Adore held by MGFL will be cancelled.

Step 2 - Merger of MGFL (post merger with Adore) and MEL with ML

- ❖ Appointed Date - 1st April, 2019
- ❖ Consideration -

- MGFL merger with Mukand – Nil since 100% shares of MGFL are owned by Mukand
- MEL merger with Mukand - Issue of equity shares of ML to the shareholders of MEL (except ML itself) based on share swap ratio

❖ **Cancellation of Investments** - On merger Investment in MEL and MGFL held by ML to be cancelled and Investment in ML held by MEL, if any, on the record date will also be cancelled.

3.3 Objective of the transaction:-

- 3.3.1 Greater potential to the combined entity to develop and further grow and diversify with better funds and efficient utilization of resources.
- 3.3.2 Further, proposed amalgamation would result in greater economies of scale and will provide a larger and stronger base for potential future growth.
- 3.3.3 The Amalgamation will result in simplification of the management structure with one listed company in group leading to better administration and reduction in costs for more focused operational efforts, rationalization, standardization and simplification of business processes.
- 3.3.4 The Amalgamation will result in simplification of Group Structure of Mukand.
- 3.3.5 The Amalgamation will bring about simplicity in working, reduction in various statutory and regulatory compliances and related costs, which presently have to be duplicated in different entities, reduction in operational and administrative expenses and overheads, better cost and operational efficiencies and it will also result in coordinated optimum utilization of resources.
- 3.3.6 The Amalgamation will streamline the decision making process, help in better utilization of human resources and will also provide better career opportunities to employees.

4 VALUATION APPROACH

4.1 Approaches for Valuation

There are three generally accepted approaches to valuation:

- a. "Cost" Approach
- b. "Income" Approach
- c. "Market" Approach

4.1.1 Cost Approach

Cost approach is a valuation approach that reflects the amount that would be required currently to replace the service capacity of an asset (often referred to as current replacement cost). The following are the two most commonly used valuation methods under the cost approach

Replacement Cost Method:

Replacement Cost Method, also known as 'Depreciated Replacement Cost Method' involves valuing an asset based on the cost that a market participant shall have to incur to recreate an asset with substantially the same utility (comparable utility) as that of the asset to be valued, adjusted for obsolescence.

The following are the major steps for deriving value under Replacement Cost Method:

- a. Estimate the costs that will be incurred by a market participant for creating an asset with comparable utility as that of the asset to be valued;
- b. Assess whether there is any loss on account of physical, functional or economic obsolescence in the asset to be valued; and
- c. Adjust the obsolescence value, if any as determined under (b) above from the total costs estimated under (a) above, to arrive at the value of the asset to be valued.

We have used replacement cost method for our valuation exercise by estimating the net replacement/realizable value of Land and investments and assuming all other assets and liabilities would be realized at book value. To the value so arrived, adjustment are made towards contingent liability & fair value towards the preference share capital, as applicable, to arrive at the value for the equity shareholders

Reproduction Cost Method

Reproduction Cost Method involves valuing an asset based on the cost that a market participant shall have to incur to recreate a replica of the asset to be valued, adjusted for obsolescence.

The following are the major steps in deriving a value using the Reproduction Cost method:

- a. Estimate the costs that will be incurred by a market participant for creating a replica of the asset to be valued.
- b. Assess whether there is any loss of value on account of physical, functional or economic obsolescence in the asset to be valued.
- c. Adjust the obsolescence value, if any as determined under (b) above from the total costs estimated under (a) above, to arrive at the value of the asset to be valued

We have not used this method for the current valuation exercise.

4.1.2 Income Approach

The "Income" approach focuses on the profit/earnings potential of the business being valued. The Income Approach to valuation includes Discounted Cash Flow ("DCF") Method. The "Income" approach focuses on the income generated by the company as well as its future earning capability.

DCF Method:

- ❖ The DCF Method seeks to arrive at a value of a business based on the strength of its future cash flows. This method also captures the risk involved with these cash flows.
- ❖ Under this method, the business is valued by discounting its free cash flows for an explicit forecast period and the perpetuity value thereafter. The free cash flows to the firm ("FCFF") represent the cash available for distribution to both the owners and the creditors of the business. The free cash flows in the explicit period and those in perpetuity are discounted by Weighted Average Cost of Capital ("WACC"). WACC is an appropriate rate of discount to calculate the present value of the future free cash flows as it considers debt-equity risk and also debt-equity ratio of the company/industry.
- ❖ To the present value of the cash flows so arrived, adjustments are made for the value of debt, surplus/non-operating assets including investments, surplus cash & bank balance, contingent assets/liabilities and other liabilities and value towards preference share capital, as applicable, in order to arrive at the value for the equity shareholders.

We have used DCF method for our valuation by using projections provided to us by management

4.1.3 Market Approach

Market Price Method:

Under this method, the market price of an equity share as quoted on a recognized Stock Exchange is normally considered as the value of the equity shares of that company, where such quotations are arising from the shares being regularly and frequently traded. The market value generally reflects the investors' perception about the true worth of the company.

Since the shares of ML and MEL are listed on NSE and BSE and there are regular transactions in their equity shares with reasonable volumes. In the circumstances, the share price of ML and MEL, over an appropriate period has been considered for determining the value of ML and MEL, under the market price methodology.

Market Multiple Method:

Under Market Multiple Method, the value is determined on the basis of multiples derived from valuations of companies in the same industry, as manifested through stock market valuations of listed companies.

This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

ML is a diversified company having different nature of business operations, so, we could not find the exact comparable company for ML. In the absence of sufficient comparable companies, we have not used this approach for ML. Further, for MEL also, we have also not applied Market Multiple Method

Market Transactions Method:

With regard to the multiples applied in an earnings based valuation, they are generally based on data from the recent transactions in a similar sector, but with appropriate adjustment after due consideration has been given to the specific characteristics of the business being valued.

In the absence of any comparable transaction in the recent past in respect of which complete details of deal structure, etc. are not available in public domain, we are unable to apply Market Transaction method.

5 VALUATION METHODOLOGIES & PROCEDURE APPLIED

- 5.1 It should be understood that the valuation of any company or its assets is inherently subjective and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made numerous assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the Companies. In addition, this valuation will fluctuate with changes in prevailing market conditions, the conditions and prospects, financial and otherwise, of the Companies, and other factors which generally influence the valuation of Companies and their assets.
- 5.2 The application of any particular method of valuation depends on the purpose for which the valuation is done. In arriving at the value of the equity shares of the Companies, from amongst the generally accepted valuation methodologies, we have applied methodologies most relevant, applicable and appropriate to the circumstances.
- 5.3 To arrive at the valuation of ML and MEL as on the Valuation Date, we had performed the following procedures.
- (a) Collection of relevant historic financial statements of ML and MEL;

- (b) Collection of relevant financial projection of ML, MEL, MukandSumi Special Steel Ltd. ("MSSSL"), MukandSumi Metal Processing Ltd. ("MSMPL"). MSSSL and MSMPL are the group companies of ML in which ML has substantial investment;
- (c) Collection of market price data of ML & MEL;
- (d) Analysis of historic financial statements as made available to us;
- (e) Application of Discounted Cash Flow Method, Market Price Method and Replacement Cost Method for relevant companies;
- (f) Holding discussions with Management from time to time;

5.4 A brief overview of the valuation methodologies applied for each Company is outlined below.

5.4.1 ML

- (a) **Income Approach - DCF Method:** Under this method, the operating business of ML has been valued by discounting the free cash flows for an explicit forecast period and the perpetuity value thereafter by WACC. To the present value of the cash flows so arrived, adjustments have been made for Contingent liabilities and MAT credit to arrive at the Enterprise Value. To the Enterprise Value, appropriate adjustment has been made for net debt, non-operating assets (i.e. Surplus Land, Non-Current Investments) & other Net assets of the company to arrive at Value for Equity & Preference share capital of ML and post reduction of present value of preference share capital to the above value, equity value for equity shareholder has been worked out.
- (b) **Market Price Approach - Market Price Method:** Under this method, equity value of ML has been determined based on 6 months Volume Weighted Average Price as on 13th July, 2018 using NSE data¹.
- (c) **Cost Approach - Replacement Cost Method:** In the replacement cost approach for all assets and liabilities we have considered the book value as replaceable value except investment and land in use whose replacement value has been estimated based on the current market value. For the land which are surplus in nature, it has been assumed that the same will be sold in near future & net realizable value (post tax & transaction cost) has been considered. To the value so arrived at, adjustments have been made for Contingent liability and present value of preference shares to arrive at value for the equity shareholders.
- (d) Appropriate weightage has been applied to each of the above mentioned methods to arrive at the Weighted Average Equity Value of ML

¹ Since equity shares of ML are more frequently traded on NSE as compared with BSE.

- (e) For arriving at the equity value of ML, we have applied various methods as summarized below:

Valuation Approach	ML
Cost Approach	√
Income Approach	√
Market Approach	√

5.4.2 MEL

- (a) **Income Approach - DCF Method:** Under this method, the operating business of MEL has been valued by discounting the free cash flows for an explicit forecast period and the perpetuity value thereafter by WACC. To the present value of the cash flows so arrived, adjustments have been made for Contingent liabilities. Appropriate adjustment has been made for net debt, non-operating assets & other assets of the company to arrive at Equity Value of MEL.
- (b) **Market Price Approach - Market Price Method:** Under this method, equity value of MEL has been determined based on 6 months Volume Weighted Average Price as on 13th July, 2018 using NSE data².
- (c) **Replacement Cost Method:** In the replacement cost approach, for all assets and liabilities we have been considered the book value as replaceable value except investments whose replaceable value has been estimated based on the current market value. To the value so arrived, adjustments have been made for Contingent liability to arrive at replacement cost value for equity shareholders.
- (d) Appropriate weightage has been applied to each of the above mentioned methods to arrive at the Weighted Average Equity Value of MEL.
- (e) For arriving at the equity value of MEL, we have applied various methods as summarized below:

Valuation Approach	MEL
Cost Approach	√
Income Approach	√
Market Approach	√

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² Since equity shares of MEL are more frequently traded on NSE as compared with BSE.

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Valuation Report



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Valuation Report

6 VALUATION SUMMARY

- 6.1 Summary of the valuation of ML and MEL determined under different valuation methodologies is as under:

Valuation Approach	ML		MEL	
	Price/share (INR)	Wgt (%)	Price/share (INR)	Wgt (%)
Income Approach	111.87 (refer Annexure 1)	40.0%	41.10 (refer Annexure 2)	40.0%
Cost Approach	132.18 (refer Annexure 3)	20.0%	28.16 (refer Annexure 4)	20.0%
Market Approach	74.94	40.0%	41.66	40.0%
		100.0%		100.0%
WgtAvg Price/ share	101.16		38.74	
Share Swap Ratio	1:2.61			
Share Swap Ratio (Rounded off)	1:2.60 or 5:13			

6.2 Major assumptions considered for the aforesaid valuation:-

6.2.1 Income Approach

❖ DCF Method

➤ WACC:

- ML - 12.78%
- MEL - 14.08%;

➤ Average EBITDA Margin (%):

- ML - 5.8%
- MEL - 12.94%

➤ Capex (FY 19-FY 23):

- ML - INR 2750 Million
- MEL - INR 55 Million

➤ Terminal Growth Rate for both co.: 4%

6.2.2 Cost Approach

❖ Replacement Cost Method

- Land & Investment: Land & Investments have been considered at fair value.
- Deferred Tax Assets has been assumed to have NIL realizable value
- Other Assets & Liabilities - Book value has been considered for all assets and liabilities except investments and land which have been considered at fair value.



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❖ Market Price Method: 6months Volume Weighted Average Price as on 13th July, 2018.

6.2.4 Our valuation analysis as mentioned above is based on the financial projections, historical financial data, documents and information provided to us by the Management of ML and MEL as well as information available in public domain.

6.2.5 Kindly note that the valuation carried out by us is subject to the assumptions and accuracy of the information provided by the Management or any other key personnel of ML and MEL. Any changes in the information &/or financial projections, so provided, may have an impact on the valuations so arrived at.

6.2.6 This Valuation Report should be read in conjunction with the Share Swap Report dated 14th July, 2018 and exclusions, limitation & assumption as detailed in the Share Swap Report dated 14th July, 2018 shall mutatis mutandis apply on this Valuation Report as well.

6.2.7 We would like to take this opportunity to express our appreciation for the co-operation extended to us by the Management of ML & MEL, key personnel and staff during the performance of our assignment.

Thanking You,

Yours faithfully,

For Sharp & Tannan

Firm Regn. No. - 109982W

Chartered Accountants



Edwin Augustine

(Partner)

Membership No. - 043385



Date: 22nd October, 2018

Place: Mumbai

Encl.: a/a

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Valuation Report

Annexure - 1**Valuation of ML using DCF**

Valuation using Discounted Cash Flow Method as at 31st March 2018						INR in Mn
WACC	12.78%					
Terminal Growth Rate	4.00%					
Year Ending	FY 19	FY 20	FY 21	FY 22	FY 23	Terminal
Operating EBITDA	1878	2024	2332	2183	2268	2359
Capital Expenditure	-600	-800	-550	-550	-250	-252.5
Incremental Working Capital	1,274	607	241	494	628	-144
Taxation	-275	-273	-336	-301	-311	-605
Free Cash Flows (FCF)	2,277	1,558	1,687	1,826	2,335	1,358
Discounting Factor	0.91	0.83	0.74	0.66	0.58	0.58
Present Value of Cash Flows	2,144	1,301	1,249	1,199	1,359	790
NPV of Explicit Period	7,252					
Present Value of Perpetuity	9,003					
Present Value of MAT Credit	727					
Contingent Liabilities	-214					
Enterprise Value (in Mn)	16,767					
Debt	-19,486					
Investments	11,521					
Surplus Assets of RCD	1,183					
Surplus Land	3,408					
Net Assets	2,307					
Cash & Cash Equivalents	155					
Value for Equity & Preference Shareholder	15,857					
Less - Preference Share Capital	37					
Equity Value (in Mn)	15,819					
Nos of Equity Shares (Mn)	141					
Value Per Equity Share (INR)	111.87					

Annexure - 2Valuation of MEL using DCF

Discounted Cash Flow Method						INR in Mn
Valuation using Discounted Cash Flow Method as at 31st March 2018						
WACC	14.08%					
Terminal Growth Rate	4.00%					
Year Ending	FY 19	FY 20	FY 21	FY 22	FY 23	Terminal
Operating EBITDA	63	130	182	201	215	223
Capital Expenditure	(6)	(12)	(13)	(12)	(12)	(12)
Incremental Working Capital	93	6	(34)	(83)	(59)	(31)
Taxation	(11)	(25)	(36)	(40)	(52)	(62)
Free Cash Flows (FCF)	140	99	99	67	92	118
Discounting Factor	0.94	0.82	0.72	0.63	0.55	0.55
Present Value of Cash Flows	131	81	71	42	51	65
NPV of Explicit Period	376					
Present Value of Perpetuity	647					
Contingent Liability	(34)					
Enterprise Value (in Mn)	990					
Non Current Investment	111					
Debt	(635)					
Cash	52					
Equity Value	517					
Equity Value (in Mn)	517					
Nos of Equity Shares (Mn)	13					
Value Per Equity Share (INR)	41.10					

Annexure 3Valuations of ML under Replacement Cost Approach

ML as on 31st March 2018		
Particular	Book Value (INR in Mn)	Realizable Value (INR in Mn)
Non-Current Assets	20,773	28,336
Fixed Assets Tangible	5,855	10,314
Investments	14,278	11,521
Other Financial Assets	298	298
Deferred Tax Assets (Net)	-883	-
Income Tax Assets	497	497
Other Non-Current Assets	728	5,705
Current Assets	21,712	21,712
Inventories	11,050	11,050
Trade Receivable	3,102	3,102
Cash & Cash Equivalent	585	585
Short Term Loans	524	524
Other Current Assets	6,450	6,450
Non-Current Liabilities	8,183	8,143
Long Term Borrowings	7,791	7,751
Other Long Term Liabilities	40	40
Long Term Provisions	352	352
Current Liabilities	22,961	22,961
Short Term Borrowings	8,793	8,793
Trade Payable	9,440	9,440
Others	3,491	3,491
Short Term Provisions	84	84
Other Current Liabilities	1,154	1,154
Net Asset Value	11,341	18,943
Less - Contingent Liability		-214
Less - Preference Share Capital		-37
NAV for Equity		18,692
No. of shares	141	141
NAV per share	80.20	132.18



Annexure 4Valuations of MEL under Replacement Cost Approach

MEL as on 31st March 2018		
Particular	Book Value (INR in Mn)	Realizable Value (INR in Mn)
Non-Current Assets	470.77	464.86
Property, Plant and Equipment	62.08	62.08
Other Intangible Asset	0.13	0.13
Deferred Tax Asset	36.48	-
Non Current Investment	80.14	110.70
Trade Receivable	18.23	18.23
Loans	0.50	0.50
Other Financial Asset	43.30	43.30
Other Non-Current Asset	229.91	229.91
Current Assets	1,317.65	1,317.65
Trade Receivable	585.71	585.71
Inventories	454.30	454.30
Cash & Cash Equivalent	9.31	9.31
Loans	3.55	3.55
Short Term Financial Assets	247.74	247.74
Other Current Assets	17.03	17.03
Non-Current Liabilities	184.46	184.46
Borrowing	130.83	130.83
Trade Payable	24.28	24.28
Provisions	29.35	29.35
Current Liabilities	1,210.35	1,210.35
Borrowing	459.19	459.19
Trade Payable	502.60	502.60
Other Financial Liabilities	108.32	108.32
Other Current Liabilities	48.57	48.57
Current Tax Liabilities	86.75	86.75
Short Term Provision	4.92	4.92
Net Asset Value	393.60	387.69
Less - Contingent Liability		-33.67
NAV for Equity		354.02
No. of shares	12.57	12.57
NAV per share	31.31	28.16